



Sean Rogan
Executive Director

**COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles**

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Hilda L. Solis
Mark Ridley-Thomas
Sheila Kuehl
Don Knabe
Michael D. Antonovich
Commissioners

October 13, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

The Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors/Commissioners:

**APPROVE A MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNTY OF LOS
ANGELES AND THE METROPOLITAN TRANSPORTATION AUTHORITY OF LOS ANGELES
COUNTY FOR THE JOINT DEVELOPMENT OF PROPERTIES
(DISTRICT 2) (3 VOTES)**

SUBJECT

This letter recommends the approval of a Memorandum of Understanding (MOU) between Los Angeles County (County) and the Metropolitan Transportation Authority of Los Angeles County (Metro) for the joint development of County-owned properties located at 3606 W. Exposition Boulevard in the City of Los Angeles and 923 E. Redondo Boulevard in the City of Inglewood (County Properties).


IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Community Development Commission (Commission) to execute the MOU with Metro for pre-development activities, on behalf of the County.
2. Find that the recommended actions do not constitute a project pursuant to the California Environmental Quality Act (CEQA) for the reasons stated in this letter and the record of the project.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

2-D October 13, 2015


PATRICK OZAWA
ACTING EXECUTIVE OFFICER

IT IS RECOMMENDED THAT THE BOARD, ACTING AS THE COMMISSIONERS OF THE COMMUNITY DEVELOPMENT COMMISSION:

1. Authorize the Executive Director, or his designee, to execute the MOU with Metro for pre-development activities, on behalf of the County.
2. Find that the recommended actions do not constitute a project pursuant to CEQA for the reasons stated in this letter and the record of the project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the MOU is to define the terms of cooperation and to identify the respective roles and responsibilities of Metro and the County in preliminary studies necessary to effectuate the coordinated and efficient joint development of the County Properties adjacent to proposed Metro stations along the Crenshaw/LAX Transit Corridor. These efforts will bring transit-oriented development to the County Properties while maximizing their value, and benefiting the citizens of the County.

Implementation of Strategic Plan Goals

The recommendation and responses are consistent with the following County Strategic Plan Goals:

- Goal No. 1 - Operational Effectiveness/Fiscal Sustainability:
 - Maximize the effectiveness of the County's processes, structure, operations and strong fiscal management to support timely delivery of customer-oriented and efficient public services.
- Goal No. 2 - Community Support and Responsiveness:
 - Enrich the lives of County residents by providing enhanced services, and effectively planning and responding to economic, social, and environmental challenges.

FISCAL IMPACT/FINANCING

Pursuant to the MOU, the County will reimburse Metro in the amount of up to \$150,000 for planning consultant services, from the proceeds of the future joint development project on the County Properties.

There is no current net County cost impact from the approval of these actions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Metro is currently constructing the Crenshaw/LAX Transit Line, a new 8.5-mile, eight station light rail transit line running from the Metro Exposition Line at Crenshaw and Exposition Boulevards to the Metro Green Line at the Aviation/LAX station. The Crenshaw Line includes a station at the intersection of Crenshaw and Exposition Boulevard ("Expo/Crenshaw Station") and at the intersection of Florence Avenue and West Boulevard ("Fairview Heights Station").

The County Properties directly adjacent to the Crenshaw/LAX Line's alignment are: (1) a Probation Department (Probation) facility located at 3606 W. Exposition Boulevard in the City of Los Angeles adjacent to the Expo/Crenshaw Station ("Expo/Crenshaw Site"), and (2) a Department of Public Social Services (DPSS) facility located at 923 E. Redondo Boulevard in the City of Inglewood adjacent to the Fairview Heights Station ("Fairview Heights Site").

On March 3, 2015, the Board directed the relocation of the DPSS and Probation facilities on the County Properties by June 2017, with the intention of clearing the County Properties for new transit-oriented development by a third-party developer through a joint development process. Sitting as the Board of Commissioners of the Community Development Commission, the Board also directed the Commission to negotiate an MOU with Metro on behalf of the County, for the joint development of the County Properties.

On March 26, 2015, the Metro Board of Directors instructed its Chief Executive Officer (Metro CEO) to work with the Commission to develop a scope of work and budget for an MOU for the joint development of the County Properties in conjunction with the Metro Property.

The Commission, pursuant to the Master Services Agreement dated August 7, 2012, has negotiated the MOU on behalf of the County and will continue to perform services on behalf of the County. The MOU calls for Metro to administer the joint development planning stages for the County Properties and Metro owned properties. During the joint development planning stages, Metro will procure consultant services to facilitate the community engagement process, prepare Development Guidelines and technical development feasibility studies, and coordinate planning efforts with the local jurisdictions.

The Chief Executive Office (CEO) is considering using the County-owned building at 3965 S. Vermont Boulevard, Los Angeles (Vermont) as a replacement location for the Probation operation currently at the Crenshaw/Expo Site. The Vermont building, located across from Expo Park, is in need of significant renovation and is considered a blighting influence on the community. The building is structurally sound and has sufficient floor area to accommodate the Probation needs and is located in closer proximity to the Department's client base. Should the Vermont building be used, Probation staff currently housed in the Vermont building may need to be relocated into leased space.

The Department of Public Works (DPW) has provided a range of \$16.6 million to \$30.5 million for the minimum repairs up to a complete renovation and improvement work for the Vermont building. The CEO and DPW offices are exploring options for reducing the project costs. The estimated annual debt service for a 15-year financing of the renovation project is \$2.7 million.

The CEO estimates the annual lease cost to relocate the Probation staff from the Vermont building at \$1.3 million. These costs would include rental, tenant and other related improvement costs.

The CEO must also relocate existing DPSS programs located at the Florence/West Site into new space. The building is currently underutilized and is used for file storage and staff training. The CEO and DPSS are exploring existing space within DPSS offices for training.

Should this development of the County-owned properties move forward with the Commission and Metro, the CEO will return to the Board to establish the Vermont building renovation project, develop a scope of work, secure leases and a total project cost. The estimated annual net County cost for the debt service, lease and other costs is \$4 million.

It is anticipated that the ground lease revenue generated by the joint development at the County properties will partially offset the cost of the Vermont building renovation. CEO has estimated the land value of the Probation Department property at \$1.8 million, and of the DPSS property at \$1.4 million.

ENVIRONMENTAL DOCUMENTATION

Approval of the recommended action is not a project pursuant to CEQA because it is an activity that is excluded from the definition of a project by Section 15378(b)(5) of the State CEQA Guidelines. The proposed action is an administrative activity of government, which will not result in direct or indirect physical changes to the environment.

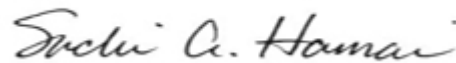
IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no impact on other current services or projects. The MOU will allow the County to partner with Metro in predevelopment activities to support compatible transit-oriented commercial, residential, or other developments, and act as a catalyst for additional economic growth in an area in need of private investment and jobs.

Respectfully submitted,



SEAN ROGAN
Executive Director



SACHI A. HAMI
Interim Chief Executive Officer

SR:cc

Enclosures

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
AND
THE COUNTY OF LOS ANGELES ACTING THROUGH THE COMMUNITY DEVELOPMENT
COMMISSION OF THE COUNTY OF LOS ANGELES**

This Memorandum of Understanding (“**MOU**”) is entered into as of _____, 2015 (“**Effective Date**”) by and between the Los Angeles County Metropolitan Transportation Authority (“**LACMTA**”) and the County of Los Angeles (“**County**”) acting through its Community Development Commission of the County of Los Angeles (“**Commission**”). The County and LACMTA are collectively referred to herein as “**Parties**” and individually as a “**Party**”, and desire to enter into this MOU to understand and agree upon the preliminary steps needed for the development of two County-owned sites along the Crenshaw/LAX Transit Corridor.

RECITALS

- A) LACMTA is currently constructing the Crenshaw/LAX Transit Line (“**Crenshaw/LAX Line**”), a new 8.5-mile, eight station light rail transit line running from the Metro Exposition Line at Crenshaw and Exposition Boulevards to the Metro Green Line at the Aviation/LAX station. The Crenshaw/LAX Line includes a station at the intersection of Crenshaw and Exposition Boulevard (“**Expo/Crenshaw Station**”) and at the intersection of Florence Avenue and West Boulevard (“**Fairview Heights Station**”).
- B) The County owns two properties directly adjacent to the Crenshaw/LAX Line’s alignment: (1) a Probation Department facility located at 3606 W. Exposition Boulevard in the City of Los Angeles adjacent to the Expo/Crenshaw Station (“**Expo/Crenshaw Site**”), and (2) a Department of Public Social Services (DPSS) facility located at 923 E. Redondo Boulevard in the City of Inglewood adjacent to the Fairview Heights Station (“**Fairview Heights Site**”). The Expo/Crenshaw Site and the Fairview Heights Site are collectively referred to as the “**County Properties**” and are located as depicted in Attachment A– Site Maps attached hereto.
- C) The Commission pursuant to the Master Services Agreement dated August 7, 2012, is willing to assist for the joint development of the County Properties on behalf of the County.
- D) LACMTA owns property across the street from the Expo/Crenshaw Site at the southeast corner of Crenshaw and Exposition Boulevards, more particularly depicted in Attachment A attached hereto (“**LACMTA Property**”). The LACMTA Property will be the location of a portal to the Expo/Crenshaw Station for the Crenshaw/LAX Line, and a proposed park-and-ride lot. The LACMTA Property is also a potential site for joint development by a third-party developer.

- E) Both Parties wish to participate in a coordinated and efficient effort to bring transit-oriented development on the LACMTA Property and County Properties, which will benefit the citizens of the County and increase transit ridership.
- F) On March 3, 2015, the County Board of Supervisors directed the relocation of the DPSS and Probation facilities on the County Properties by June 2017, with the intention of clearing the County Properties for new transit-oriented development by a third-party developer through a joint development process, and also directed the Commission to negotiate a memorandum of understanding with LACMTA for the joint development of the County Properties.
- G) On March 26, 2015, the LACMTA Board of Directors instructed the Chief Executive Officer (CEO) to work with the County to develop a scope of work and budget for a memorandum of understanding for the joint development of the County Properties in conjunction with the LACMTA Property.
- H) The Parties desire to enter into this MOU to define the terms of cooperation and to identify the respective roles and responsibilities of the Parties in preliminary studies necessary to effectuate the joint development of the County Properties.

NOW THEREFORE, in consideration of the mutual terms and conditions contained herein, LACMTA and County hereby agree as follows:

AGREEMENT

1. COUNTY RESPONSIBILITIES

- A. The Commission on behalf of the County pursuant to the Master Agreement dated August 7, 2012, and Board of Supervisors action on _____, will be executing this MOU on behalf of the County and substantially performing the County responsibilities under this MOU. All references to the County shall also mean the Commission acting on behalf of the County.
- B. County shall be responsible for making the County Properties available for joint development. County and LACMTA will enter into separate agreement(s) once a plan for effectuating joint development on the County Properties is determined and agreed upon by the Parties.
- C. In implementing any joint development on County Properties, County understands LACMTA will conduct the joint development process consistent with the process set forth in LACMTA's Joint Development Program Policies and Process attached as Attachment B.
- D. County shall work cooperatively with LACMTA to develop the site-specific vision and guidelines for joint development of the County Properties and LACMTA Property (the "Development Guidelines"), which will be generated through a community-driven outreach process (see Attachment B); such cooperation includes working jointly to coordinate with local jurisdictions and the community to maximize the efficiency and effectiveness of the outreach

- process. The Development Guidelines may include but are not limited to, programmatic requirements such as affordable housing, and transit integration requirements such as accommodating required park and ride spaces or additional entrances to a station (e.g., additional portal at Expo/Crenshaw Station). Some of these requirements may necessitate the Parties to work together to identify financing mechanisms.
- E. County shall reimburse LACMTA in an amount not to exceed \$150,000 for third-party consultant costs incurred in connection with the predevelopment planning, community outreach, feasibility studies, and preparation of the Development Guidelines for the joint development of County Properties. LACMTA will consider reimbursement of these third-party costs from future joint development proceeds emanating from the County Properties. If the Parties decide not to pursue joint development on the County Properties or cannot agree that costs will be paid from future proceeds, County shall pay the actual third party costs incurred by LACMTA under this MOU within 30 days from the date of such decision. Notwithstanding anything to the contrary in this MOU, this Section 1D shall survive the termination of this MOU.

2. LACMTA RESPONSIBILITIES

- A. LACMTA shall work cooperatively with County to develop the Development Guidelines for the joint development of County Properties.
- B. LACMTA shall procure the assistance of third-party consultants to assist in predevelopment planning, community outreach and feasibility studies to develop the Development Guidelines. Third-party consultants may be engaged to perform certain tasks, including but not limited to, architecture/urban design, perform economic feasibility analyses, lead community workshops and create the Development Guidelines. Given that LACMTA may be creating Development Guidelines for multiple sites along the Crenshaw/LAX Line, it is possible that the same consultant will provide services for both the County Properties and LACMTA Property. LACMTA shall ensure that invoicing segregates those services provided solely for County Properties.
- C. LACMTA will develop a community outreach strategy that includes outreach to other public agencies and a variety of community organizations and stakeholders. Outreach will include keeping stakeholders apprised of the joint development process as well as engaging stakeholders with preliminary site planning and visioning that will be incorporated in the Development Guidelines.
- D. LACMTA shall coordinate with local jurisdictions to maximize the efficiency and effectiveness of the community engagement processes and to avoid redundancy of prior or on-going station area visioning exercises.

- E. LACMTA shall include a review of the feasibility of developing the Expo/Crenshaw Site with the LACMTA Property as part of a single development plan.
- F. LACMTA shall include a review of any street vacations needed from the City of Los Angeles for the portion of W. Exposition Boulevard adjacent to the Expo/Crenshaw Site and the feasibility of the City of Los Angeles' cooperation in such street vacation.
- G. LACMTA shall examine the feasibility of an additional portal entrance to the Expo/Crenshaw Station utilizing a planned knock-out panel on the west side of Crenshaw Boulevard adjacent to, and possibly integrated with, joint development on the Expo/Crenshaw Site.
- H. The planning shall assume the County to retain financial and legal responsibility for any and all environmental and remediation required for the County Properties. LACMTA will assign a Project Manager (PM) from its Joint Development team to oversee joint development activities along the Crenshaw/LAX Line. The PM shall be responsible for both the County Properties and the LACMTA Property, so as to ensure consistency in strategy and approach. The PM will be supported by LACMTA project staff, as necessary.

3. AUDIT AND INSPECTION OF RECORDS

- A. LACMTA shall make available to County, LACMTA's records which provide supporting documentation for any amounts billed to County under this MOU, which records may include but are not limited to, accounting records, written policies and procedures, contract files, original estimates, correspondence, change order files (including documentation covering negotiated settlements), invoices, and any other supporting evidence relied upon to substantiate charges related to the joint development of the County Properties (all foregoing hereinafter referred to as "records").
- B. The County or any of its duly authorized representatives, upon written notice, shall be afforded reasonable access to all of the records of LACMTA related to the joint development activities on the County Properties, and shall be allowed to interview any employees of LACMTA throughout the term of this MOU. These records must be retained by LACMTA for three years following the final payment under this MOU.

4. TERM OF THE AGREEMENT

- A. The term of this MOU shall commence on the date that this MOU is completely executed by both Parties and shall remain in full force and effect until one year from the Effective Date, unless earlier terminated by the County or LACMTA as provided in Section 9 of this MOU.

5. INDEMNIFICATION

- A. Pursuant to the provisions of Section 895.4 of the California Government Code, each of the Parties agree to indemnify and hold the other harmless from all liability for damage, actual or alleged, to person or property arising out of or resulting from the indemnifying party's acts or omissions in the performance of this MOU. In the event of third-party loss caused by negligence, wrongful act or omission of both Parties, each party shall bear financial responsibility in proportion to its percentage of fault as may be mutually agreed or judicially determined. The provisions of California Civil Code Section 2778 regarding interpretation of indemnity agreements are hereby incorporated.

6. INCORPORATION OF ATTACHMENTS

- A. The following Attachments are hereby incorporated into and made a part of this MOU wherever referred to as though set forth at length, except where certain portions of specific Attachments have been deleted or superseded by other sections of this MOU:

Attachment A: Site Maps

Attachment B: LACMTA Joint Development Program Policies and Process

7. AMENDMENT

- A. This MOU may only be amended in writing upon mutual consent of both Parties.

8. AUTHORIZED REPRESENTATIVES

- A. The following individuals and their successors are designated by the County and LACMTA as the authorized representatives of the two Parties for implementation of this MOU, and all correspondence and notices relative hereto shall be considered delivered when received by these individuals at the following addresses:

For Commission: Sean Rogan, Executive Director
Community Development Commission
of the County of Los Angeles
700 W. Main Street
Alhambra, CA 91801

For LACMTA: Calvin E. Hollis, Managing Executive Officer
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza, Mail Stop: 99-23-4
Los Angeles, CA 90012-2932

9. TERMINATION

- A. Either Party may terminate this MOU, in whole or part, at any time by written notice to the other Party thirty (30) days in advance of the termination date. LACMTA shall be paid for third-party costs on work performed up to the time of termination.

10. OTHER TERMS AND CONDITIONS

- A. This MOU constitutes the full and complete understanding between the Parties. This MOU may be modified only through written amendments hereto approved and executed in the same manner as this original MOU. Each and every attachment to this MOU is incorporated by reference and made part of this MOU.
- B. This MOU shall be governed by California law and applicable federal law. If any provision of this MOU is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.
- C. The terms of this MOU shall inure to the benefit of, and shall be binding upon, each of the Parties and their respective successors and assigns.

[SIGNATURES FOLLOW ON NEXT PAGE]

By signature below, the Parties have entered into and agreed to and accepted the terms and conditions of this MOU:

Commission:

COMMUNITY DEVELOPMENT COMMISSION
COUNTY OF LOS ANGELES

By: _____ Date: _____
Sean Rogan,
Executive Director

LACMTA:

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

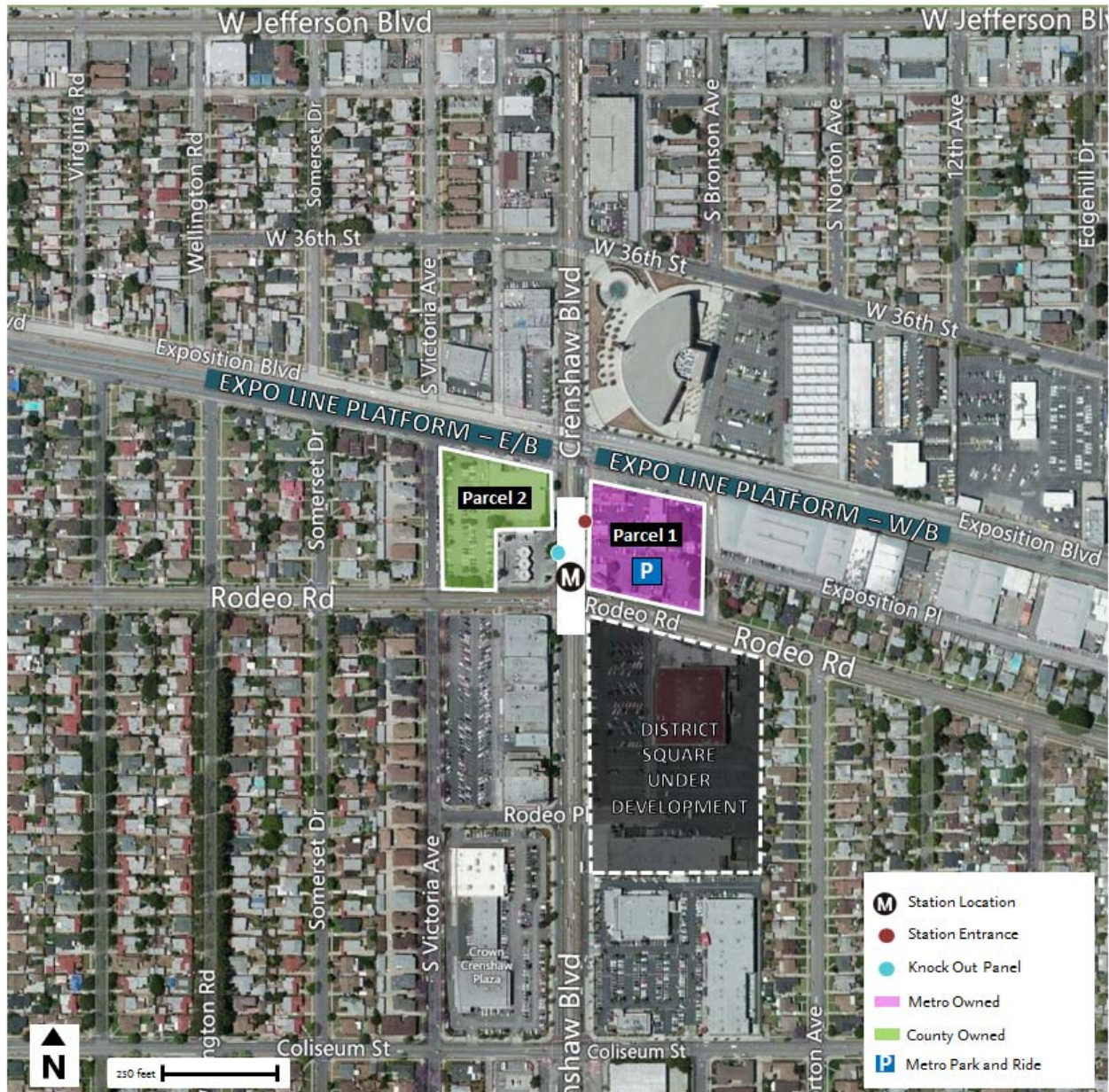
By: _____ Date: _____
Calvin E. Hollis,
Managing Executive Officer

APPROVED AS TO FORM:

MARY C. WICKHAM
Interim County Counsel

By: _____
Deputy

ATTACHMENT A
SITE MAPS



Expo/Crenshaw Station (below-grade)

Parcel 1 – LACMTA Property

Parcel 2 – County Property (Expo/Crenshaw Site)

ATTACHMENT A
SITE MAPS (Continued)







Fairview Heights Station (*at-grade*)

Parcel 3 – County Property (Fairview Heights Site)

ATTACHMENT B

LACMTA JOINT DEVELOPMENT PROGRAM POLICIES AND PROCESS

Metro Joint Development Process				
STAGE	Initial Community Outreach	Developer Solicitation/ Selection**	Project Refinement, Joint Development Agreement (JDA) and Ground Lease (GL) Negotiations	Permitting and Construction
ACTIONS				
	<ul style="list-style-type: none"> >Community Meetings >Creation of Development Guidelines* 	<ul style="list-style-type: none"> >Issue Request for Information and Qualifications (RFIQ) and/or Request for Proposals (RFP) >Evaluate Proposals >Community update 	<ul style="list-style-type: none"> >Developers progress architectural design >Community outreach and input - several iterations >Entitlements and CEQA process*** >Negotiation of financial terms 	<ul style="list-style-type: none"> >City engineering >Construction documents >City building permits >City-related approvals >On-site construction >Occupancy
RESULT	Board approves Development Guidelines	Metro Board authorizes Exclusive Negotiation Agreement (ENA) with recommended developer(s)	Metro Board approves JDA and GL	Completed project
approximate overall time frame: 42 - 60 months				
	6 months	6 months	12 - 24 months	18 - 24 months
<p>*Staff may undertake preliminary market analysis or related studies prior to the drafting of development guidelines.</p> <p>** Once the RFIQ/ RFP is released, Metro is in a "blackout" period. During this period, Metro cannot discuss the specific content of proposals until staff releases their recommendations for a developer. Metro can do general outreach to keep stakeholders apprised of the process and key dates.</p> <p>*** Proposed use requires local jurisdiction approval and may include environmental, zoning, and local plan consistency review and public hearings.</p>				